

VZCZCXRO2659
PP RUEHPB
DE RUEHSV #0424 2401725
ZNY CCCCC ZZH
P 281725Z AUG 07
FM AMEMBASSY SUVA
TO RUEHC/SECSTATE WASHDC PRIORITY 0035
INFO RUEHBJ/AMEMBASSY BEIJING 0303
RUEHBY/AMEMBASSY CANBERRA 1781
RUEHPB/AMEMBASSY PORT MORESBY 1352
RUEHWL/AMEMBASSY WELLINGTON 1551
RUEHNZ/AMCONSUL AUCKLAND 0508
RUEHDN/AMCONSUL SYDNEY 0917
RUEHIN/AIT TAIPEI 0022
RHHMUNA/HQ USPACOM HONOLULU HI
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C O N F I D E N T I A L SUVA 000424

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E.O. 12958: DECL: 08/29/2017

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SUBJECT: SCOTTY TEAM WINS NAURU ELECTION; REFORMS EXPECTED
TO CONTINUE

REF: SUVA 408

Classified By: Amb. Dinger. Sec. 1.4 (B,D).

¶1. (U) Nauru's general election on August 25 returned the "reform" government of President Ludwig Scotty to power. All of Scotty's cabinet team won re-election. All opposition members were defeated, except for former President Rene Harris. Former President Kinza Clodumar, a Scotty opponent seeking a comeback, also lost. On August 28, the new Parliament gathered and selected Scotty over Marcus Stephen as President by a 14-3 vote. Stephen, a former world-class weight lifter was a member of Scotty's cabinet two years ago, but that relationship cooled. The previous Speaker of Parliament, Veldon Dowiyogo, retained his position by a 13-5 vote over Rene Harris. Harris becomes, seemingly by default, Leader of the Opposition.

¶2. (C) We hear Scotty has not changed any Cabinet portfolios. However, Nauru's High Commissioner in Suva Kennan Adeang says his son David, the Foreign and Finance Minister, may in time push for a reshuffle. David Adeang, who is effectively the leader of the reformist group under Scotty, is dissatisfied with the work of some ministers, especially Industry Minister Freddy Pitcher. Adeang says Pitcher always looks busy in his important "phosphate" portfolio, but he is not getting anything done.

Comment

¶3. (C) Per reftel, the "reform" team's landslide victory presumably sets the stage for: a continuation of Nauru's recognition of Taiwan; an infusion of AUSAID funding to assist resumption of Nauru's phosphate industry; and approval by Parliament of several constitutional amendments aimed to institutionalize "good governance" themes. The sweeping victory suggests the people of Nauru have accepted that severe belt-tightening in recent years was essential. If indeed Nauru's phosphate industry can again revive and churn out revenues, the Scotty reform group will be tested. All past Nauru governments when confronted with wealth wasted it, and the public was happy to assist. Scotty and his ministers have assured us they learned the proper lessons from past governments' mistakes. So far they have done pretty well, and the election gives them three more years to prove themselves.

DINGER